

IN THE MATTER OF
THE APPLICATION OF
DANARIR MORTGAGE CORP.
FOR A MORTGAGE LENDER
LICENSE

BEFORE THE COMMISSIONER
OF
FINANCIAL REGULATION
Case No. DFR-EU-2007-192

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STATEMENT OF THE CASE

The hearing on the above captioned matter was held on January 29, 2008, and heard by the Deputy Commissioner of Financial Regulation, Joseph E. Rooney ("Deputy Commissioner"). This matter was scheduled for a hearing as a result of a decision by the Office of the Commissioner of Financial Regulation to deny the applicant, Danarir Mortgage Corp. (the "Applicant") a mortgage lender license, pursuant to Md. Code Ann., Fin. Inst. ("FI") § 11-506(a), [Comm'r Exhibit # 3]. The denial was based on the Applicant's failure to meet the qualifications for obtaining a license by not satisfying the Commissioner that the Applicant has sufficient financial responsibility and the general fitness to: (i) engage in business as a mortgage lender; (ii) warrant the belief that the belief that the business will be conducted lawfully, honestly, fairly, and efficiently; and (iii) command the confidence of the public. The Applicant was not represented by counsel. Kris King, Assistant Attorney General, appeared as presenter of evidence on behalf of the Office of the Commissioner. Christopher J. Young, Assistant Attorney General, served as counsel to the Deputy Commissioner. The proceedings were electronically recorded.

FINDINGS OF FACT

From the testimony and exhibits presented, and with the opportunity to observe the demeanor of the witness and to assess her credibility, the Deputy Commissioner finds the relevant facts to be these:

1. On or about May 7, 2007, the Applicant submitted an application for a mortgage lender license [Comm'r Exhibit # 4].

2. As part of the application package, the Applicant submitted a consumer credit report for its sole owner, Iris Calloway, which report contained information indicating that Ms. Calloway has a negative credit history with multiple and significant payment delinquencies and charge-offs for various credit and loan accounts totaling many thousands of dollars. [Comm'r Exhibit # 4].

3. Ms. Calloway testified that she had good credit and was able to pay her bills until her husband was in an automobile accident in 2005.

4. Ms. Calloway testified that she is currently employed with the United States Postal Service, that her husband is employed with a mortgage company, but that given her financial condition, she cannot afford to pay off her delinquent credit accounts at the present time.

5. Ms. Calloway testified that that she and her husband hope to receive settlement funds in the next several months in connection with the husband's accident and that she intends to pay off her delinquent debts when those funds are received.

CONCLUSIONS OF LAW

Based on the Findings of Fact, the Deputy Commissioner concludes as a matter of law under FI § 11-506(a) that the Applicant should not be granted a mortgage lender license at this time. To qualify for a mortgage lender license pursuant to FI § 11-506(a) an applicant must satisfy the Commissioner that the applicant:

"is of good moral character and has sufficient financial responsibility, business experience, and general fitness to:

- (1) Engage in business as a mortgage lender;
- (2) Warrant the belief that the business will be conducted lawfully, honestly, fairly, and efficiently; and
- (3) Command the confidence of the public.

In this case, the Deputy Commissioner has concluded that the seriously negative financial condition of the Applicant's sole owner, Iris Calloway, shows a lack of financial responsibility sufficient to qualify for a mortgage lender license. Ms. Calloway has testified that at this time she does not have the means to pay certain of her creditors the moneys owed and in fact is not currently paying any amounts on these debts. The Deputy Commissioner is sympathetic to the financial troubles that Ms. Calloway finds herself in and the fact that they result from her husband's automobile accident. Further, the Deputy Commissioner believes that Ms. Calloway is sincere in her desire to pay off her delinquent and charged-off debts when she and her husband receive settlement funds in connection with the husband's accident. Notwithstanding this, however, the Deputy Commissioner finds that, at present, the Applicant fails to qualify for a mortgage lender license because of the financial condition of its sole owner, Ms. Calloway. The Applicant has failed to satisfy the Deputy Commissioner that it has sufficient financial responsibility and general fitness to engage in business as a mortgage lender; warrant the belief that the business will be conducted lawfully, honestly, fairly, and efficiently, and command the confidence of the public. Thus, the Applicant fails to meet the qualification requirements set forth in FI § 11-506(a) and its license application is denied.

The Deputy Commissioner notes that his denial of the Applicant's license at this time does not act as a permanent bar to licensure and that the Applicant may reapply for a mortgage lender license at a future time.

FINAL ORDER

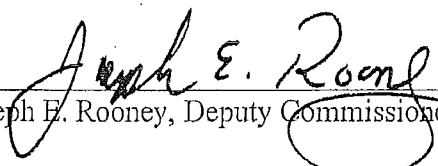
In consideration of the foregoing Findings of Fact and Conclusions of Law, it is this 7th day of March, 2008, hereby **ORDERED** that:

The Applicant, Danarir Mortgage Corp., is **DENIED** a mortgage lender license, pursuant to FI § 11-506(a).

Pursuant to State Govt. Art., Section 10-222, any party who is aggrieved by the Commissioner's decision, may file a petition for judicial review with the Circuit Court for the county where any party resides or has a principal place of business. Such petition must be filed within 30 days after Applicant's receipt of this Order (Md. Rule 7-203). The filing of a petition for judicial review does not automatically stay the enforcement of the Final Order.

COMMISSIONER OF FINANCIAL REGULATION

By:



Joseph E. Rooney, Deputy Commissioner